

Message Text

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21

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SUBJECT: A TROUBLED LABOR SCENE

REF: LIMA 2430

1. THE EXTENSION OF THE FEBRUARY 5 DECREE SUSPENDING CONSTITUTIONAL GUARANTEES TWO MONTHS AFTER THE LIMA DISTURBANCES IN ATTRIBUTABLE AT LEAST PARTIALLY TO GOP FEARS OF LABOR AGITATION.

2. A LARGE PERCENTAGE OF LABOR CONTRACTS EXPIRE DURING THE EARLY AUTUMN PERIOD IN PERU (APRIL-MAY) AND LABOR/MANAGEMENT DIFFICULTIES WOULD IN ANY EVENT NORMALLY BE ANTICIPATED. THE SITUATION IS COMPLICATED THIS YEAR BY A HIGH LEVEL OF WORKER DISCONTENT DUE TO INFLATION AND FOOD SCARCITIES. UNION MILITANCE IS UP BOTH IN RESPONSE TO RANK AND FILE DEMANDS AND FOR REASONS OF INTER-UNION POLITICAL RIVALRY. SOME GOP BUNGLING IN THE LABOR FIELD HAS ALSO CONTRIBUTED TO THE UNCERTAIN SITUATION.

3. THE SETTLEMENT OF THE BANK STRIKE MARCH 28 RESOLVED THAT IMMEDIATE PROBLEM BUT SET A COSTLY PRECEDENT WHICH MAY LEAD TO ECONOMICALLY UNACCEPTABLE WAGE INCREASES IN OTHER AREAS, OR TO GOP REPRESSION. BANK SETTLEMENT WAS 2000 SOLES PER MONTH (APPROXIMATELY \$46) ACROSS THE BOARD PLUS BENEFITS. SALARY INCREASE WAS MORE THAN 15 PERCENT FOR MOST OF THE 20,000 BANK EMPLOYEES

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AND AMOUNT OF INCREASE ITSELF REPRESENTS 2/3 OF THE MINIMUM SALARY

IN PERU. GOP HAD LIMITED OPTIONS. THE BANK UNION LEADER HAD ALREADY BEEN ARRESTED AND THEN RELEASED, OSTENSIBLY BECAUSE COMMUNIST UNION (CGTP) THREATENED TO DENOUNCE GOVERNMENT REPRESSION FOR BENEFIT OF UNIDO DELEGATES. IN ORDER TO KEEP BANKS OPEN, A SETTLEMENT ABOVE GOP EARLIER DECISION WAS APPROVED.

4. IN SPITE OF THE SUSPENSION OF CONSTITUTIONAL GUARANTEES WHICH PROHIBITS BOTH STRIKES AND THE ASSEMBLY OF PERSONS, WORK STOPPAGES HAVE BEEN INCREASING AT WHAT GOP CONSIDERS A TROUBLESOME RATE. MOST ARE CONFINED TO INDIVIDUAL FACTORIES OR ESTABLISHMENTS BUT SOME ARE MORE GENERAL IN SCOPE. A TYPICAL EXAMPLE WAS THE WALK-OUT OF LIMA MUNICIPAL BUS WORKERS APRIL 10 WHICH, ACCORDING TO PRESS, LEFT 600,000 PERSONS IMMOBILIZED.

5. MEANWHILE ANTICIPATED APRIL STRIKE OF TEACHERS UNION (SUTEP) HAS NOT YET MATERIALIZED. TEACHER UNION LEADERS ARE SAID TO BE CARRYING ON SECRET NEGOTIATIONS WITH EDUCATION MINISTRY OFFICIALS. THERE ARE WELL OVER 125,000 TEACHERS IN PERU AND A STRIKE IN THAT SECTOR, GIVEN THE MILITANCE OF SUTEP AND THE ECONOMIC CONSEQUENCES OF A SETTLEMENT ALONG THE LINES DEMANDED (ABOUT \$70 PER MONTH), COULD CAUSE GOVERNMENT/UNION CONFRONTATION. TEACHERS UNION MAY BE AWAITING AN ANTICIPATED END OF APRIL LIFTING OF DECREE SUSPENDING INDIVIDUAL GUARANTEES BEFORE MOBILIZING TEACHERS IN DEFENSE OF WAGE DEMANDS.

6. POLITICAL CONFLICTS WITHIN THE LABOR MOVEMENT HAVE CONTRIBUTED TO TENSIONS. THE REVOLUTIONARY LABOR MOVEMENT (MLR), WHICH HAS BEEN THE PERSONAL POLITICAL APPARATUS OF FISHERIES MINISTER TANTALEAN FOR ORGANIZING THE FISHING INDUSTRY, HAS NOW BECOME ACTIVE IN OTHER SECTORS INCLUDING THE STEEL INDUSTRY IN CHIMBOTE AND SOME MINES. AT MARCONA THE MLR ALLEGEDLY WORKED WITH GOVERNMENT CTRP UNION TO OUST COMMUNIST LEADERS, WHO SUBSEQUENTLY CALLED PROTEST STRIKE AND THREATEN STRIKE OF INDEFINITE DURATION. VOCALLY ANTI-COMMUNIST MLR SEEMS TO BE VEHICLE FOR THOSE IN GOP WHO SEEK TO CHALLENGE COMMUNISTS IN THE LABOR SECTOR. IN RESPONSE THE COMMUNIST CGTP UNION IS ASSUMING A MORE MILITANT POSTURE IN DEFENSE OF WORKER DEMANDS. CGTP METAL FEDERATION FOR EXAMPLE HAS CALLED PROTEST STRIKE FOR END OF APRIL, AND COMMUNIST UNION IS ENGAGED IN VIGOROUS DENUNCIATION OF LABOR MINISTRY OFFICIALS IN ATTEMPT ISOLATE THEM AS ANTI-LABOR COUNTERREVOLUTION-LIMITED OFFICIAL USE

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ARIES.

7. WHETHER OR NOT CONSTITUTIONAL GUARANGEES RESTORED, GOP CAN EXPECT PROTRACTED DIFFICULTIES IN LABOR SECTOR.
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